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Message Text

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12
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

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FM AMEMBASSY LISBON
TO SECSTATE WASHDC 7063
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C O N F I D E N T I A L LISBON 3102

E.O. 11652: GDS
TAGS: EGEN, ELAB, PO
SUBJ: DRAFT GOP DECREE ON WORKER "CONTROL" OF MANAGE-
MENT

REF: LISBON 3060

SUMMARY: MINISTRY OF FINANCE HAS PREPARED DRAFT DECREE DEFIN-
ING WORKER PARTICIPATION IN THE MANAGEMENT OF ALL ENTERPRISES.
DRAFT DECREE GUARANTEES WORKERS ACCESS TO WIDE RANGE OF A
COMPANY'S DATA, BUT EXCLUDES ACCESS TO TECHNICAL INFORMATION.
MORE IMPORTANT, IT SPECIFIES THAT WORKER "CONTROL" SHOULD NOT
IMPEDE A COMPANY'S NORMAL OPERATIONS NOR INTERFERE
WITH MANAGEMENT ORGANS IN THE DAILY EXECUTION OF THEIR RE-
SPONSIBILITIES. WORKERS ARE TO HAVE SOMEWHAT MORE INFLUENCE
IN PUBLIC SECTOR FIRMS THAN IN PRIVATE SECTOR COMPANIES.
END SUMMARY.

1. MINISTRY OF FINANCE, APPARENTLY WITH APPROVAL OF MINISTRY
OF LABOR, HAS PREPARED DRAFT DECREE DEFINING WORKER PARTICIPATION
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IN THE MANAGEMENT OF ALL TYPES OF INTERPRISES IN PORTUGAL.

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FOLLOWING IS A SUMMARY OF THE DRAFT DECREE.

ARTICLE 1. WORKERS HAVE THE RIGHT TO "CONTROL" THE MANAGEMENT OF ENTERPRISES IN PORTUGAL. THIS "CONTROL" IS NOT TO IMPEDE A COMPANY'S NORMAL OPERATIONS NOR INTERFERE IN THE FUNCTIONS OF THE COMPANY'S MANAGEMENT ORGANS.

ARTICLES 2-5. WORKERS, REPRESENTED BY COMMISSIONS OF MANAGEMENT "CONTROL," MUST TAKE THE INITIATIVE TO INSTITUTE THEIR "CONTROL" OF A COMPANY. THE COMMISSIONS MUST BE ELECTED BY DIRECT, SECRET VOTE DURING PLENARY MEETINGS IN WHICH AT LEAST 75 PERCENT OF THE COMPANY'S WORKERS PARTICIPATE. PLENARIES TO ELECT THESE COMMISSIONS MUST BE CONVOKED BY A MINIMUM OF TEN PERCENT OF A COMPANY'S WORK FORCE AT LEAST EIGHT DAYS BEFORE THE MEETING DATE. STATUTES REGULATING THE COMMISSION'S ACTIVITIES MUST BE APPROVED IN PLENARY MEETINGS CALLED SPECIFICALLY FOR THAT PURPOSE.

ARTICLE 6. EXISTING COMMISSIONS, AFTER FOLLOWING PROCEDURES OUTLINED ABOVE, MUST OBTAIN LEGAL RECOGNITION WITHIN SIXTY DAYS AFTER PUBLICATION OF THIS DECREE.

ARTICLE 7. THE NUMBER OF MEMBERS ON A COMMISSION DEPENDS UPON THE SIZE OF A COMPANY'S WORK FORCE, AS FOLLOWS:

A. COMPANIES OF LESS THAN 200 WORKERS -- THREE OFFICERS;

B. COMPANIES OF 200 TO 1000 WORKERS -- SIX OFFICERS; AND

C. COMPANIES LARGER THAN 1000 WORKERS -- NINE OFFICERS.

ARTICLE 8. WORKER "CONTROL" MAY BEGIN IMMEDIATELY IN COMPANIES THAT ARE NATIONALIZED, PUBLIC OR INTERVENED, OR THAT EMPLOY MORE THAN 50 WORKERS.

ARTICLE 9. THE POWERS OF WORKER COMMISSIONS ARE:

A. RENDER AN OPINION ON COMPANY'S BUDGET AND GENERAL PLANS, ESPECIALLY PLANS REGARDING PRODUCTION AND INVESTMENT, AND TO "CONTROL" MANAGEMENT'S EXECUTION OF THESE PLANS.

B. ENCOURAGE COMPLETE USE OF NATIONAL HUMAN, TECHNICAL AND FINANCIAL RESOURCES.

C. CONTRIBUTE TO QUANTITATIVE AND QUALITATIVE IMPROVEMENT OF A FIRM, NOTABLY BY PROMOTING EFFICIENCY AND PERSONNEL TRAINING.

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D. " CONTROL" A COMPANY'S COMPLIANCE WITH LEGAL NORMS AND WITH GOP PLANS FOR THE SECTOR INVOLVED.

E. OBTAIN GOVERNMENT REVIEW OF ACTIVITIES THAT APPEAR UNUSUAL OR ILLEGAL.

F. PROVIDE WORKERS WITH REGULAR REPORTS OF THE COMMISSIONS' ACTIVITIES AND OF THE INFORMATION GATHERED FROM THE COMPANIES.

ARTICLE 10. THE COMMITTEES WILL HAVE ACCESS TO THE

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COMPANY'S ACCOUNTING, PURCHASE, SALES, PRODUCTION, ASSETS, BUDGET AND ORGANIZATIONAL DATA. THIS ACCESS DOES NOT INCLUDE INFORMATION ON TECHNICAL DATA WHICH THE COMPANIES WISH TO RESERVE.

ARTICLE 11. MANAGEMENT AND COMMISSION REPRESENTATIVES WILL MEET MONTHLY DURING WORKING HOURS TO DISCUSS SUBJECTS OF MUTUAL INTEREST.

ARTICLE 12. IN PUBLIC SECTOR AND NATIONALIZED FIRMS, THE COMMISSIONS SHOULD HAVE ADDITIONAL RESPONSIBILITIES AS A MEANS OF HELPING WORKERS TO DEVELOP MANAGEMENT SKILLS. IN SUCH FIRMS, THE COMMISSION'S "CONTROL" POWER WILL INCLUDE THE RIGHT TO ASSIST IN DRAFTING THE COMPANY'S STATUTES, CRITIQUE APPOINTMENT TO THE COMPANY'S MANAGEMENT BOARD, AND EXPRESS ITS OPINION ON JOB CLASSIFICATION AND NEW EMPLOYEES.

ARTICLES 13-14. WORKER COMMISSION SHOULD PARTICIPATE IN THE PLANNING, RECONVERSION AND THE SOCIAL-ECONOMIC PROGRAMS FOR THEIR SECTORS. TO PERFORM THIS FUNCTION EFFECTIVELY, THE COMMISSIONS MAY ESTABLISH COORDINATING COMMITTEES THAT REPRESENT ALL THE WORKERS IN THEIR SECTOR.

ARTICLE 15. THIS DECREE WILL BE REVIEWED BY DECEMBER 31, 1976.

2. COMMENT: LEADERS IN THE SOCIALIST PARTY CLAIM THAT THEY HAD SOUGHT TO IMPLEMENT THIS DECREE PRIOR TO THE CONGRESSIONAL ELECTIONS OF APRIL 25. PRESUMABLY, THEY WILL MOVE TO OBTAIN APPROVAL OF THIS DECREE AS RAPIDLY AS POSSIBLE. SEVERAL VERSIONS HAVE, HOWEVER, ALREADY BEEN REJECTED BY THE COUNCIL OF MINISTERS. WHETHER THIS VERSION WILL OBTAIN APPROVAL REMAINS TO BE SEEN.

3. THIS DRAFT DECREE CLEARLY IMPLIES THAT THE PORTUGUESE WORD "CONTROL" SHOULD BE TRANSLATED INTO ENGLISH AS MONITOR RATHER THAN CONTROL. THE DECREE WOULD LIMIT WORKERS' PARTICIPATION IN MANAGEMENT TO THAT OF GATHERING INFORMATION, PRESUMABLY TO HELP WORKERS IN THEIR NEGOTIATIONS WITH MANAGEMENT. THE DECREE OBVIOUSLY WOULD GIVE WORKERS NO RIGHT TO INTERVENE DIRECTLY IN MANAGEMENT DECISIONS. IF APPROVED, THE DECREE SHOULD CONSTITUTE A SIGNIFICANT STEP FORWARD IN REESTABLISHING GREATER CONFIDENCE WITHIN THE PRIVATE SECTOR. INDIVIDUAL BUSINESSMEN, NEVERTHELESS, WILL LIKELY RESERVE JUDGMENT UNTIL GOVERNMENT DECISIONS CLEARLY DEMONSTRATE THE GOP'S ATTITUDE TOWARD LABOR AND LABOR/MANAGEMENT RELATIONS.

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